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10 MW KANDAHAR SOLAR POWER PLANT

AUGUST 2017 - AUGUST 2018

\$10 MILLION

OVERVIEW

This 10-megawatt photovoltaic power plant is currently under construction outside of Kandahar. The project employed an innovative reverse auction to select an Independent Power Producer (IPP) to build, own and operate the plant. The auction was made possible with \$10 million in incentive funds provided by USAID. When complete, Kandahar Solar will be the first privately built and operated power plant of this capacity in Afghanistan.

The contractor, Dynasty Oil and Gas, Ltd., has signed a 15-year power purchase agreement (PPA) with Afghanistan's national utility, Da Afghanistan Breshna Sherkat (DABS). DABS has committed to building the required 6.5 km of transmission line, which will connect the plant to the national grid. A formal groundbreaking ceremony, attended by local media and Afghan CEO Abdullah Abdullah, marked the start of construction in September, 2017.

ACTIVITIES

- Solicit competitive bids from Independent Power Producers through a reverse auction, held by DABS.
- Encourage private investment in the Afghan power sector through \$10 Million in incentive funding, to be paid to the developer in performance-based tranches.
- Construct a grid-connected, 10-MW photovoltaic power plant.

EXPECTED RESULTS

- Address critical power shortages in Kandahar.
- Provide power to the Shorandam Industrial Park to enable additional private-sector investment in the area, and to connect to the national grid via the Shorandam substation.
- Offset sufficient diesel-generated power to save DABS approximately 5.3 million liters of fuel per year.
- Provide a model for future private sector investments in the Afghan power sector.

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